



\$ 1,995,650

Harris Pye Marine Ltd.,
David Davies Rd.,
Barry Docks,
Barry,
South Glamorgan,
South Wales,
CF63 4AB
UNITED KINGDOM.

18th September 1998

Norwegian Cruise Line,
7665, Corporate Centre Drive,
Miami,
Florida,
FLA 33126
UNITED STATES OF AMERICA.

For the attention of:- Mr. Per O. Sopp.
Senior Port Engineer.

Dear Sirs.

S.S. NORWAY.
Nos. 22 and 23 BOILER RETUBING.

We acknowledge with thanks the receipt of your enquiry document of August 28th 1998 and repair specification for the retubing of Boilers Numbered 22 and 23 of SS "NORWAY" during the 1999 drydocking and are pleased to submit our quotation as follows:-

1. EXTENT OF RETUBING.

Our quotation is based upon the extent of work being that the two boilers will be fully re-tubed with the exception of the superheaters, superheater support tubes and economisers.

2. MATERIAL SUPPLY.

For each boiler we offer to supply the following materials:

2.1 16 pieces of REAR WATER WALL tubes would be fully fabricated and ready to fit to the identities "A to P" as shown on the Chantiers de l'Atlantique drawing No. FRA CHP 1 - 25 entitled "*Faisceau Tubulaire - Mur d'eau Facade Arriere*" from 70 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR1.

2.2 251 pieces GENERATING TUBES identified as Rows 5 - 13 on Chantiers de l'Atlantique drawing FRA CHP1 - 24A - 1, entitled "*Faisceau Tubulaire - Faisceau Vaporisateur*", fully fabricated and ready to fit as follows:



196 from 70 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR1.

and

55 from 57 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR1.

2.3 57 pieces **SCREEN TUBES** identified as Rows 3 and 4 on the Chantiers de l'Atlantique drawing FRA - CHP1 - 24A - 1, entitled "*Falsceau Tubulaire - Falsceau Vaporisateur*" from 70 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR1.

2.4 56 pieces **SIDE WALL / ROOF TUBES** identified as Rows 1 and 2 on the Chantiers de l'Atlantique drawing FRA - CHP1 - 24A - 1, entitled "*Falsceau Tubulaire - Falsceau Vaporisateur*" from 70 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR1.

3. GENERAL NOTES

3.1 All materials would be of the grades noted, or equivalent, or superior.

3.2 All materials would be certified in accordance with Class Rules.

3.3 All fabrications will be inspected by Class before dispatch from our works and certified accordingly.

3.4 All weld procedures, welder qualification certificates, material certificates, weld test records and pressure test records would be part of our final Quality Document which would be maintained as part of our adherence to ISO 9002 to which our company is currently approved by LRQA.

3.5 All tube ends which have to be expanded will be annealed to assist in successful expansion in place.

4. DELIVERIES

We could arrange deliveries to the ship prior to refit, or to the refit location, as you require, and suggest that, should our quotation be acceptable to Norwegian Cruise Line the tubes be ordered as quickly as possible as we currently have both material and fabrication capacity available.

5. INSTALLATION

The following would be the work scope to be done on each boiler of ss. NORWAY and includes the whole works to be required at this time, and should Harris Pye Marine be favoured with the order for this work, then we would produce a detailed bar chart showing all phases of the project, from material acquisition, through manufacture, inspection, installation and testing:-

5.1. Remove the drum internals and store safely in readiness for refitting.



5.2. Remove refractories to scrap.

5.3. Start the removal of the boiler tube to a pre agreed plan so that all drums and header remain adequately and safely supported throughout.

5.4. Clean all drum and header areas in readiness for the fitting of the new tubes and inspect all ligaments for defects using a dye penetrant method.

5.5. Fit the new tubes in accordance with the first stage of the building plan.

5.6. When these tubes are in place, fully expanded and/or welded remove the balance of the old tube and repeat items 4 and 5 for these tubes.

5.7. During this operation the superheater support tubes and the superheater tubes will remain undisturbed!

5.8. Close up the water spaces and carry out a hydraulic pressure test on the boilers.

5.9. Rebuild the refractories within the boilers where they have been disturbed for access.

5.10. Reinstate the insulation and casings, using the original materials which would have been carefully removed and stored at the start of the work. Should the condition of the casings removed be deemed unfit for refitting with the same material, then we would be able to replace this with new at the rate of \$275 per square metre.

5.11. Refit the drum internals and hand over to the Chief Engineer for careful firing to allow drying and curing of the refractory.

NOTE

Because of the tight schedule required to complete this work, it will probably be considered necessary to put one team to sail on the ship prior to arrival at the docking to commence removals from one boiler. This eventuality would be absorbed in our price and would involve no additional costs!

In the unlikely event that we would have to keep a team on after the ship sailed from the yard then this too would incur no additional charges - unless they had been delayed by, or were engaged on any scope of work outside the workscope previously described.

6. PRICE

For the supply of the materials specified and the installation work listed, our price would be

U.S. \$1,995,650 - FOR TWO BOILERS.

(ONE MILLION, NINE HUNDRED AND NINETY FIVE THOUSAND SIX HUNDRED AND FIFTY U.S. DOLLARS)

THIS PRICE APPLIES FOR THE WORK TO BE CARRIED OUT AT ANY EUROPEAN YARD!

CERTIFIED TO BE A TRUE COPY

De ST, LTJG, USCG, IO pg. 3 of 5



7. TERMS OF PAYMENT.

Should Harris Pye Marine Ltd. be favoured with the order for this work by Norwegian Cruise Line then we would request the following terms of payment which would permit us to procure the materials and proceed with the fabrication and Class approvals:

30% with order.

15% upon delivery to the refit location.

55% within 30 days of handing over to the Chief Engineer.

8. INCLUDED IN OUR PACKAGE.

The following items would be included as part of our supply:

Our overall project manager would be in attendance throughout the dry dock period, and he would be a qualified Engineer with extensive experience in boiler operation, maintenance and surveying, so that a final report on all four boilers would be prepared, clearly identifying the exact status of the steam generating plant to allow N.C.L. to evaluate the expected reliability in service.

Engineering, supervision and labour.

All tools, equipment and consumables.

All tube materials listed in the foregoing text.

All refractory materials necessary for the completion of the work to the complete satisfaction of Owners - up to 25 tonnes per boiler if required.

Weld procedure approval.

Welder qualification.

Certification of all materials and fabrications.

All protective clothing.

Shiprepairers liability insurance to one million U.S. dollars.

9. EXCLUDED FROM OUR PACKAGE.

Accommodation and meals which we assume to be on board.

Travel and transport.

Lighting, electrical power, water, compressed air and gases.

Disposal of scrap.

Third party inspection and Classification Society fees.

Shipyard and agency commissions.

Delays out with our control.

Demurrage and cost of delays during and subsequent to the repairs.

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10. ASSUMPTIONS.

We assume that the structures of the plant involved in the work scope have the correct geometry corresponding to the drawings noted in the material supply section, and that the metallurgical properties remain as original. Should either, or both of these assumptions prove to be incorrect, then all work required to rectify such defects to ensure acceptable completion will be treated as additional to contract and charged accordingly.

All manufactured tubes of Harris Pye Marine supply will be of sufficient length to extend from drum to drum, header to header or from stub to stub. The renewal of welded stub pieces is excluded from our quotation unless otherwise specifically stated.

We assume that any shell plate removal and replacement deemed necessary for the access into the boiler room will be done by the shipyard as the dry dock usually prefers to carry out all shipside shell work themselves. Should they have any problems with appropriate codings for the re welding, then we would be pleased to be of assistance to them with this.

11. QUALITY ASSURANCE.

Harris Pye Marine Ltd is approved to ISO 9002 for the storage, handling and fabrication of boiler tubes, and all documentation and certification of supplies and testing will be in accordance with that standard and included in our final Quality Document, multiple copies of which will be handed to Norwegian Cruise line upon completion of the work.

12. GUARANTEE.

Harris Pye Marine Ltd. guarantees all workmanship and materials for two years subject to the correct operation of the plant and the strict adherence to the maintenance of boiler water treatment.

We trust that the foregoing is of service to your company and hope to have the opportunity of assisting you on this interesting and challenging project, which is similar to many other such projects performed successfully by Harris Pye Marine in the past.

We believe that the foregoing covers all aspects of the proposed repair work, but if you have any queries, or require any changes to the specification then please contact us at any time and we will give N.C.L. our best attention.

Yours faithfully,

Paul F. Hancock, C.Eng., F.I.Mar.E., F.Inst.D.
Technical Director.

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LTSJG, USCG, ID PG. 5 OF 5



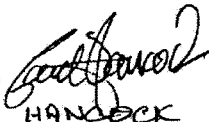
HARRIS PYE MARINE LTD.


ACCEPTANCE CERTIFICATE.

SHIP: SS "NORWAY"
CONTRACT NO. MI 5192
CLIENT: NORWEGIAN CRUISE LINE.

ACCEPTANCE OF RADIOGRAPHY

This is to certify that Boiler No. 21 -has had radiographic inspection carried out on the butt welds as identified on the accompanying sheets and all found to be acceptable within the scope of the Inspection Standard.

SIGNED 
PRINT HANCOCK
DATE 10 MAY '99
ON BEHALF OF HPM.

SIGNED 
PRINT Knier
DATE 11 MAY 1999
ON BEHALF OF CL



CERTIFIED TO BE A TRUE COPY

ON BEHALF OF OWNER

E-0134

LTSG, USCG, IO 19 1 of 1



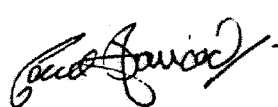
HARRIS PYE MARINE LTD.


ACCEPTANCE CERTIFICATE.

SHIP: SS "NORWAY"
CONTRACT NO. MI 5192
CLIENT: NORWEGIAN CRUISE LINE.

ACCEPTANCE OF RADIOGRAPHY

This is to certify that Boiler No. 22 has had radiographic inspection carried out on the butt welds as identified on the accompanying sheets and all found to be acceptable within the scope of the Inspection Standard.

SIGNED 
PRINT HANCOCK
DATE 10 MAY '99
ON BEHALF OF HPM.

SIGNED 
PRINT C. Knies
DATE 10 MAY 1999
ON BEHALF OF CLASS



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done by, LTSG, USCG, To pg. 1 of 1

ON BEHALF OF OWNER:

E-0135



HARRIS PYE MARINE LTD.

ACCEPTANCE CERTIFICATE.


SHIP: SS "NORWAY"
CONTRACT NO. MI 5192
CLIENT: NORWEGIAN CRUISE LINE.


CERTIFICATE OF HYDRAULIC TEST.

This is to certify that the hydraulic pressure test of the

BARE TUBE ECONOMISER of No. 21 BOILER

has been carried out to the satisfaction of Owners and Class.

SIGNED 
PRINT HANCOCK
DATE 11 MAY '99
ON BEHALF OF HPM.

SIGNED 
PRINT Krieger
DATE 12 MAY 1999
ON BEHALF OF CLASS

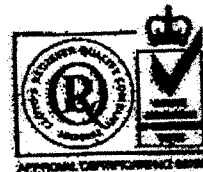


ON BEHALF OF OWNERS

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4 d 50, LTSG, USCG, IO
pg. 1 of 1

E-0136


Harris Pye Marine Ltd


David Davies Road Tel : (+1446) 720066
 No.2 Barry Dock Fax : (+1446) 700801
 Barry Telex : 497388 HARPYE G
 South Wales. UK.

To:	NORWEGIAN CRUISE LINE	Fax Serial No:	68655
Attn:	TECHNICAL MARITIME PURCHASING	From:	PAUL F HANCOCK
Our Ref/Matter	"NORWAY" - MI 5912		
Fax No: of Addressee	001 305 436 4137	Country	U.S.A.
Date Sent	22 ND OCTOBER 1998	Time Sent	0920 HRS

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

-Comments:

Dear Sirs

S.S. NORWAY
BOILER RETUBING
O/No. 348 474

We acknowledge with thanks the receipt of your official order number as above for the retubing work to boilers 22 and 23 during the 1998 refit in accordance with our quotation of 18th September 1998 and as ammended in fax 68387 of 12th October 1998.

We confirm that the materials are on order or already at our Workshop and that tube bending will be started shortly.

Best Regards

Paul F Hancock
 C.Eng., F.I.Mar.E., F.Inst.D.
TECHNICAL DIRECTOR

TOTAL No: OF PAGES INCLUDING THIS PAGE: 1

If you do not receive all pages, or any portion of the transmission is illegible, please notify us via our telephone switchboard, fax or Tel (No.s above) immediately.

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209, LTSG, OSCG, 20 PD 10F4

E-0139

REPAIR SPECIFICATION.

S.S. NORWAY - BOILERS

1999 REFIT.

The contractor is invited to tender for the following work on two boilers of S.S. NORWAY, to be carried out during the 28 day docking in 1999. Two of the boilers are to have the same work carried out on each, and the following text refers to ONE BOILER.

1. TUBES TO BE RENEWED. (Contractor Supply)

1.1 16 pieces of **REAR WATER WALL** tubes as shown on the Chantiers de l'Atlantique drawing No. FRA CHP 1 - 25 and entitled "*Faisceau Tubulaire - Mur d'eau Facade Arriere*" and supplied as fully fabricated tubes from 70 mm O.D. by 6.3 mm W.T. certified boiler tube to DIN 17175 ST 35.8 GR 1.

1.2 251 pieces of **GENERATING BANK TUBES** as shown on the Chantiers de l'Atlantique drawing No. FRA CHP 1 - 24A - 1 and entitled "*Faisceau Tubulaire - Faisceau Vaporisateur*" and supplied as fully fabricated tubes, rows 5 - 13, as follows:-

196 from 70 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR 1.

and

55 from 57 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR 1.

1.3 57 pieces of **SCREEN TUBES** as shown on the Chantiers de l'Atlantique drawing No. FRA CHP 1 - 24A - 1 and entitled "*Faisceau Tubulaire - Faisceau Vaporisateur*" and supplied as fully fabricated tubes from 70 mm O.D. by 6.3 mm W.T. certified boiler tube to DIN 17175 ST 35.8 GR 1.

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LTSG, USC6, TO pg 4 of 4

1.4 56 pieces of **SIDE WALL TUBES** as shown on the Chantiers de l'Atlantique drawing No. FRA CHP 1 - 24A - 1 and entitled "*Faisceau Tubulaire - Faisceau Vaporisateur*" and supplied as fully fabricated tubes from 70 mm O.D. by 6.3 mm W.T. certified boiler tube to DIN 17175 ST 35.8 GR 1.

All tubes to be supplied as fully fabricated and ready to fit and with all ends annealed, complete with Class certificates and material certificates in accordance with ISO 9002.

2. INSTALLATION WORK AND ADDITIONAL ITEMS.

The retubing of the two boilers is to be planned for completion during the 28 day docking period and the contractor should allow for 24 hour coverage to ensure that the programme is met. A three shift working system should be considered.

The contractor should include for the removal and reinstatement of plant and structures in order to gain safe access into the boiler room for the new materials and for the removal of scrap. He should also include for the supply of safe access within the boiler, with appropriate lighting and ventilation.

The contractor should include in his price for the delivery of the fabricated tubes to the ship at the start of the docking period as well as for the handling from the shore to the boiler room.

In order to gain access for the retubing, the contractor should include in his price for the removal, testing and reinstatement of drum internals with new bolting and joints as necessary.

The contractor should produce a retubing plan to demonstrate that all drums and headers will remain adequately and safely supported as tubes are removed and refitted, and any deviation from that plan must have prior approval from the Owner's representative.

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L. de S., LTSG, USCG, TO
pg. 2 of 4

The contractor should produce a bar chart showing all phases of the repair from the acquisition of the raw materials, through the fabrication exercise and delivery as well as for the on board installation work. This will allow close monitoring of progress and highlight any potential delays.

The contractor should allow for the supply of refractories to reinstate those which will have to be removed to gain access for tube renewals, and this should be included as part of the fixed price sum.

The contractor should quote an additional value per Kg for the renewals of any other refractories which might be deemed as necessary for renewal upon inspection.

It is intended that the casings removed should be carefully removed and stored in readiness for refitting upon completion of the pressure test, but in case any be found not to be in a condition suitable for reuse then the contractor should quote a value per square metre for casing reinstatement with new materials.

Tube holes in drums must be cleaned to the satisfaction of the Owner's representative prior to the fitting of new tubes and any defects caused by the removing technique rectified to the approval of Owners and Class at the contractor's expense.

Tube hole ligaments must be thoroughly cleaned and inspected using a dye penetrant technique to the satisfaction of the Owner's representative, and a report on this inspection should be included as part of the overall Quality Assurance package.

The contractor should include in his price for the provision of Class approved weld procedures for any pressure part welding proposed, and these certificates, along with the welders' qualification certificates should be included in the Quality Assurance package in accordance with ISO 9002.

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L-20, LTSG, USCG, TO
Pg. 3 OF 4

Upon completion of retubing and prior to the hydraulic pressure test, all headers and drums must be seen to have been cleaned out by the contractor in company with an Owner's representative.

The contractor must include for the handling and safe disposal of all scrap materials.

The contractor is to include for the provision of a hydraulic test pump with a Class approved calibrated pressure gauge and to carry out all necessary hydraulic pressure tests to the satisfaction of Owners and Class, using ship's supply water. The certificate of hydraulic pressure test should be part of the overall Quality Assurance package which will be required by Owners upon completion of the work and included as part of the fixed price.

During the repair the contractor is to allow for the provision of a qualified engineer, experienced in boiler surveying techniques to report on the condition of the boiler structures and to make recommendations for any future remedial work or changes in operational procedures.

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L. J. 100, LTJG, USCG, IO
pg. 4 OF 4

**HARRIS PYE MARINE LTD.**

David Davies Road,
No. 2 Barry Dock,
Barry,
South Wales, U.K.
CF63 4AB

INVOICE

Customer
To: NORWEGIAN CRUISE LINE
7665 CORPORATE CENTER DRIVE
MIAMI, FLORIDA
FL-33126
UNITED STATES OF AMERICA

Tel: (01448) 720066
Fax: (01448) 700801
Telex: 497298 HARPYE G

Please quote our
Invoice No. MI 10228

V.A.T. No. 484 1925 25

Ref. MI 5912/S.S.NORWAY

Date 12TH APRIL 1999

Order No. 0000348474

Due Date 19TH APRIL 1999

S.S.NORWAY
NOS 22 + 23 BOILER RETUBING

IN ACCORDANCE WITH OUR QUOTATION OF 18 SEPT 1998 AND FAX 68387 OF 12 OCT 1998
FOR THE SUM OF GBP £1,191,432.00

TO 15% WITH DELIVERY AS PER AGREED TERMS

TOTAL AMOUNT PAYABLE THIS INVOICE

POUNDS STERLING

178,715.00

£178,715.00

OUR TERMS ARE: PAYMENT DUE 19TH APRIL 1999

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LaD, 2756, USCG, IO pg 1 of 9

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TOTAL P.02
87%

P.02

E-0141

NORWEGIAN CRUISE LINE
 7885 Corporate Center Drive • Miami, FL 33128
 Phone: (305) 438-4000 • TELEFAX: (305) 438-4120

0000348474

10/13/98

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PAGE

1

CHANGE NOTICE

PURCHASE ORDER

VENDOR

HARRIS PYE MARINE LTD.
 17 ST. ANDREWS CRESENT
 CARDIFF, SOUTH WALES
 ENGLAND

CF1 3DB

SHIP TO

SEE BELOW
 FOR SHIPPING
 INFORMATION

VESSEL S/S NORWAY	DEPT NO 20	CRUISE NO.	REQUISITION NO. 0541381300	VENDOR REFERENCE NO.	BUYER CODE 03T
QUOTED DATE APR 01/99	SHIP/DWT VIA TRUCK	FREIGHT TERMS DESTINATION	PAYMENT TERMS NET 30 DAYS	TAX EXEMPTION NO.	

ITEM NO.	NCL PART NO/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED PRICE
	YOUR REF: NORWAY - NOS 22 + 23 BOILER RETUBING *Please confirm via fax.*			GBP	
001	0520 99999 RE-TUBING OF BOILER 22 AND 23, DURING 1999 DRYDOCK, APRIL 16 THROUGH MAY 21, 1999, IN NORTHERN EUROPE SHIPYARD. *** ALL WORK AS PER ATTACHED SPECS *** *** ALL TERMS, CONDITIONS AND AGREEMENTS AS *** *** NEGOTIATED BY SENIOR PORT ENGINEER PER SOPP *** *** ALL PAYMENTS TO BE MADE PER ATTACHED QUOTATION *** *** AND MUST BE APPROVED BY SENIOR PORT ENGINEER *** *** PER SOPP *** INVOICE INSTRUCTIONS: 1. INVOICE MUST MATCH PURCHASE ORDER BY LINE. 2. BACK ORDERS MUST BE INVOICED INDIVIDUALLY. 3. EACH INVOICE MUST BE SUBMITTED IN TRIPPLICATE ACCOMPANIED BY PROOF OF DELIVERY. 4. INVOICE TO BE SENT TO ABOVE ADDRESS TO ATTENTION OF ACCOUNTS PAYABLE DEPARTMENT. DELIVERY INSTRUCTION: 1. COPY OF PROFORMA INVOICE TO ACCOMPANY EACH SHIPMENT. 2. CARTONS BE MARKED WITH VESSEL NAME, ORDER NO, REQ. NO.	1 EA		191,432.00	1,191,432.00

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2059, L756, USC6, 70
pg 2 of 9

Handwritten signature
 # 1750 - 0005 - BOIL

TOTAL

1,191,432.00

In accepting this order, supplier agrees to the instructions and specifications set forth above and the terms and conditions herein and on the reverse hereof. These terms and conditions are contractual and govern this purchase and sale set forth herein. Purchase order number must appear on all invoices, correspondence, packages, and shipping documents.

INVOICING INSTRUCTIONS

Invoices must clearly identify the name of our vessel (if applicable), the place and date of delivery. Invoices shall match our purchase orders exactly, i.e. descriptions, prices, units of measure, etc. A signed Delivery Receipt or a signed Shipper's Bill of Lading must accompany the original invoice. Payment will be made only against original invoices. Original invoices and required supporting documentation are to sent to:

AUTHORIZED SIGNATURE



HARRIS PYE MARINE LTD.

INVOICE

David Davies Road,
No. 2 Barry Dock,
Barry,
South Wales, U.K.
CF63 4AB

Tel: (01446) 720066
Fax: (01446) 700801
Telex: 497388 HARPYE G

Please quote our
Invoice No. MI 9864

V.A.T. No. 484 1925 25

Customer

To:

NORWEGIAN CRUISE LINE
7665 CORPORATE CENTER DRIVE
MAIMI, FLORIDA
FL-33126
UNITED STATES OF AMERICA

Ref. MI 5912/S.S.NORWAY
Order No. 0000348474

Date 21ST OCTOBER 1998

Due Date 21ST NOVEMBER 1998

S.S.NORWAY
NOS. 22 + 23 BOILER RETUBING

IN ACCORDANCE WITH OUR QUOTATION OF 18 SEPT 1998 AND FAX 68387 OF 12 OCT 1998
FOR THE SUM OF GBP £1,191,432.00.

TP 30% WITH ORDER AS PER AGREED TERMS

TOTAL AMOUNT PAYABLE THIS INVOICE

POUNDS STERLING

357,430.00

£357,430.00

OUR TERMS ARE: THIS INVOICE NOW PAYABLE

NO.		Approved for payment	
Date: 10/26-98		Signed: P.O. S.P.A. P. S.	
INV.	DEP.	ACC.	NO.

1750-000-8
Boil

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dwd, L.T.S.G., OSCG, ID
pg 3 of 9

1998-10-12 11:39

01446700801

P.01



Tel: (01448) 720066
Fax: (01446) 700801
Telex: 497388 HARPYE G

Per
F.H.I.

HARRIS PYE MARINE LTD.

David Davies Road,
No.2 Barry Dock,
Barry,
South Wales,
CF63 4AB



APPROVAL CERTIFICATE NO. 10704

TO: NORWEGIAN CRUISE LINE

FAX SERIAL NO: 68387

ATTN: ASLE VIKING

FROM: TONY JONES

OUR REF/MATTER:

FAX NO OF ADDRESSEE: 00 1 305 436 4135

COUNTRY: U.S.A.

DATE SENT: 12TH OCTOBER 1998

TIME SENT: 11.05 HOURS

COPY: PER O SOPP

REF: NORWAY - NOS 22 + 23 BOILER RETUBING

Sir,

Further to discussions held on board S.S. NORWAY at Barcelona on 10th October between our Mr Hancock and Mr Sopp and in accordance with the request of Mr Sopp we confirm all contents of our offer of 18th September 98 to be true and correct. We would also confirm in order for N.C.L. to process the official Purchase Order the currency stated should be in BRITISH POUNDS and not USD as quoted, therefore please be advised our quotation as attached for \$1,995,650 (One Million, Nine Hundred and Ninety Five Thousand, Six Hundred and Fifty U.S. Dollars) converted at 1.675 USD = £1 will read £1,191,432 (One Million One Hundred and Ninety One Thousand, Four Hundred and Thirty Two Pounds Sterling)

I trust this will now allow you to process the necessary paperwork.

Should you have any queries please advise.

Best regards

Tony Jones
DIRECTOR

CERTIFIED TO BE A TRUE COPY
Per L.T.S.G., 0806, 10
pg. 4 of 9

TOTAL NO OF PAGES INCLUDING THIS PAGE:

IF YOU DO NOT RECEIVE ALL PAGES, OR ANY PORTION OF THE TRANSMISSION ARE ILLEGIBLE, PLEASE NOTIFY US VIA OUR TELEPHONE SWITCHBOARD, FAX OR TEL (NOS ABOVE) IMMEDIATELY.



\$1995,650.-

Harris Pye Marine Ltd.,
David Davies Rd.,
Barry Docks,
Barry,
South Glamorgan,
South Wales,
CF63 4AB
UNITED KINGDOM.

18th September 1998

Norwegian Cruise Line,
7665, Corporate Centre Drive,
Miami,
Florida,
FLA 33126
UNITED STATES OF AMERICA.

For the attention of:- Mr. Per O. Sopp.
Senior Port Engineer.

Dear Sirs.

S.S. NORWAY.
Nos. 22 and 23 BOILER RETUBING.

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2. MATERIAL SUPPLY.

For each boiler we offer to supply the following materials:

2.1 16 pieces of REAR WATER WALL tubes would be fully fabricated and ready to fit to the identities "A to P" as shown on the Chantiers de l'Atlantique drawing No. FRA CHP 1 - 25 entitled "Falsceau Tubulaire - Mur d'eau Facade Arriere" from 70 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR1.

2.2 251 pieces GENERATING TUBES identified as Rows 5 - 13 on Chantiers de l'Atlantique drawing FRA CHP1 - 24A - 1, entitled "Falsceau Tubulaire - Falsceau Vaporisateur", fully fabricated and ready to fit as follows:

CERTIFIED TO BE A TRUE COPY

2050, LTHG, USCG, TO
PS. 5 of 9

1



196 from 70 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR1.

and

55 from 57 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR1.

2.3 57 pieces SCREEN TUBES identified as Rows 3 and 4 on the Chantiers de l'Atlantique drawing FRA - CHP1 - 24A - 1, entitled "*Falsceau Tubulaire - Falsceau Vaporisateur*" from 70 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR1.

2.4 56 pieces SIDE WALL / ROOF TUBES identified as Rows 1 and 2 on the Chantiers de l'Atlantique drawing FRA - CHP1 - 24A - 1, entitled "*Falsceau Tubulaire - Falsceau Vaporisateur*" from 70 mm O.D. by 6.3 mm W.T. boiler tube to DIN 17175 ST 35.8 GR1.

3. GENERAL NOTES

3.1 All materials would be of the grades noted, or equivalent, or superior.

3.2 All materials would be certified in accordance with Class Rules.

3.3 All fabrications will be inspected by Class before dispatch from our works and certified accordingly.

3.4 All weld procedures, welder qualification certificates, material certificates, weld test records and pressure test records would be part of our final Quality Document which would be maintained as part of our adherence to ISO 9002 to which our company is currently approved by LRQA.

3.5 All tube ends which have to be expanded will be annealed to assist in successful expansion in place.

4. DELIVERIES

We could arrange deliveries to the ship prior to refit, or to the refit location, as you require, and suggest that, should our quotation be acceptable to Norwegian Cruise Line the tubes be ordered as quickly as possible as we currently have both material and fabrication capacity available.

5. INSTALLATION

The following would be the work scope to be done on each boiler of ss. NORWAY and includes the whole works to be required at this time, and should Harris Pye Marine be favoured with the order for this work, then we would produce a detailed bar chart showing all phases of the project, from material acquisition, through manufacture, inspection, installation and testing:-

5.1. Remove the drum internals and store safely in readiness for refitting.

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5.2. Remove refractories to scrap.

5.3. Start the removal of the boiler tube to a pre agreed plan so that all drums and header remain adequately and safely supported throughout.

5.4. Clean all drum and header areas in readiness for the fitting of the new tubes and inspect all ligaments for defects using a dye penetrant method.

5.5. Fit the new tubes in accordance with the first stage of the building plan.

5.6. When these tubes are in place, fully expanded and/or welded remove the balance of the old tube and repeat items 4 and 5 for these tubes.

5.7. During this operation the superheater support tubes and the superheater tubes will remain undisturbed!

5.8. Close up the water spaces and carry out a hydraulic pressure test on the boilers.

5.9. Rebuild the refractories within the boilers where they have been disturbed for access.

5.10. Reinstall the insulation and casings, using the original materials which would have been carefully removed and stored at the start of the work. Should the condition of the casings removed be deemed unfit for refitting with the same material, then we would be able to replace this with new at the rate of \$275 per square metre.

5.11. Refit the drum internals and hand over to the Chief Engineer for careful firing to allow drying and curing of the refractory.

NOTE

Because of the tight schedule required to complete this work, it will probably be considered necessary to put one team to sail on the ship prior to arrival at the docking to commence removals from one boiler. This eventuality would be absorbed in our price and would involve no additional costs!

In the unlikely event that we would have to keep a team on after the ship sailed from the yard then this too would incur no additional charges - unless they had been delayed by, or were engaged on any scope of work outside the workscope previously described.

6. PRICE

For the supply of the materials specified and the installation work listed, our price would be

U.S. \$1,995,650 - FOR TWO BOILERS.
(ONE MILLION, NINE HUNDRED AND NINETY FIVE THOUSAND SIX
HUNDRED AND FIFTY U.S. DOLLARS)

THIS PRICE APPLIES FOR THE WORK TO BE CARRIED OUT AT ANY EUROPEAN YARD!

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7. TERMS OF PAYMENT.

Should Harris Pye Marine Ltd. be favoured with the order for this work by Norwegian Cruise Line then we would request the following terms of payment which would permit us to procure the materials and proceed with the fabrication and Class approvals:

30% with order.

15% upon delivery to the refit location.

55% within 30 days of handing over to the Chief Engineer.

8. INCLUDED IN OUR PACKAGE.

The following items would be included as part of our supply:

Our overall project manager would be in attendance throughout the dry dock period, and he would be a qualified Engineer with extensive experience in boiler operation, maintenance and surveying, so that a final report on all four boilers would be prepared, clearly identifying the exact status of the steam generating plant to allow N.C.L. to evaluate the expected reliability in service.

Engineering, supervision and labour.

All tools, equipment and consumables.

All tube materials listed in the foregoing text.

All refractory materials necessary for the completion of the work to the complete satisfaction of Owners - up to 25 tonnes per boiler if required.

Weld procedure approval.

Welder qualification.

Certification of all materials and fabrications.

All protective clothing.

Shiprepairers liability insurance to one million U.S. dollars.

9. EXCLUDED FROM OUR PACKAGE.

Accommodation and meals which we assume to be on board.

Travel and transport.

Lighting, electrical power, water, compressed air and gases.

Disposal of scrap.

Third party inspection and Classification Society fees.

Shipyard and agency commissions.

Delays out with our control.

Demurrage and cost of delays during and subsequent to the repairs.

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10. ASSUMPTIONS.

We assume that the structures of the plant involved in the work scope have the correct geometry corresponding to the drawings noted in the material supply section, and that the metallurgical properties remain as original. Should either, or both of these assumptions prove to be incorrect, then all work required to rectify such defects to ensure acceptable completion will be treated as additional to contract and charged accordingly.

All manufactured tubes of Harris Pye Marine supply will be of sufficient length to extend from drum to drum, header to header or from stub to stub. The renewal of welded stub pieces is excluded from our quotation unless otherwise specifically stated.

We assume that any shell plate removal and replacement deemed necessary for the access into the boiler room will be done by the shipyard as the dry dock usually prefers to carry out all shipside shell work themselves. Should they have any problems with appropriate codings for the re welding, then we would be pleased to be of assistance to them with this.

11. QUALITY ASSURANCE.

Harris Pye Marine Ltd is approved to ISO 9002 for the storage, handling and fabrication of boiler tubes, and all documentation and certification of supplies and testing will be in accordance with that standard and included in our final Quality Document, multiple copies of which will be handed to Norwegian Cruise line upon completion of the work.

12. GUARANTEE.

Harris Pye Marine Ltd. guarantees all workmanship and materials for two years subject to the correct operation of the plant and the strict adherence to the maintenance of boiler water treatment.

We trust that the foregoing is of service to your company and hope to have the opportunity of assisting you on this interesting and challenging project, which is similar to many other such projects performed successfully by Harris Pye Marine in the past.

We believe that the foregoing covers all aspects of the proposed repair work, but if you have any queries, or require any changes to the specification then please contact us at any time and we will give N.C.L. our best attention.

Yours faithfully,

Paul F. Hancock, C.Eng., F.I.Mar.E., F.Inst.D.
Technical Director.

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